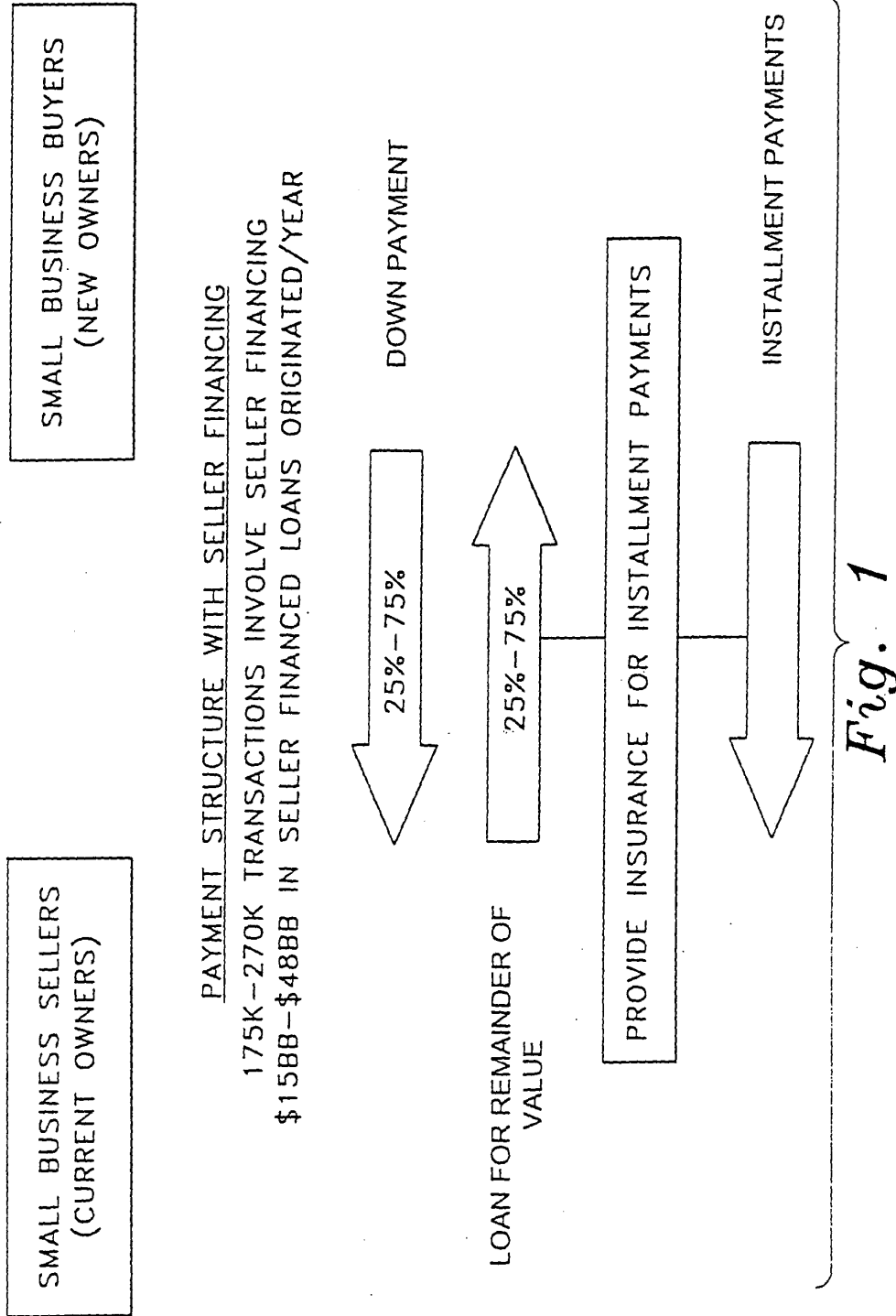


OVERVIEW

5



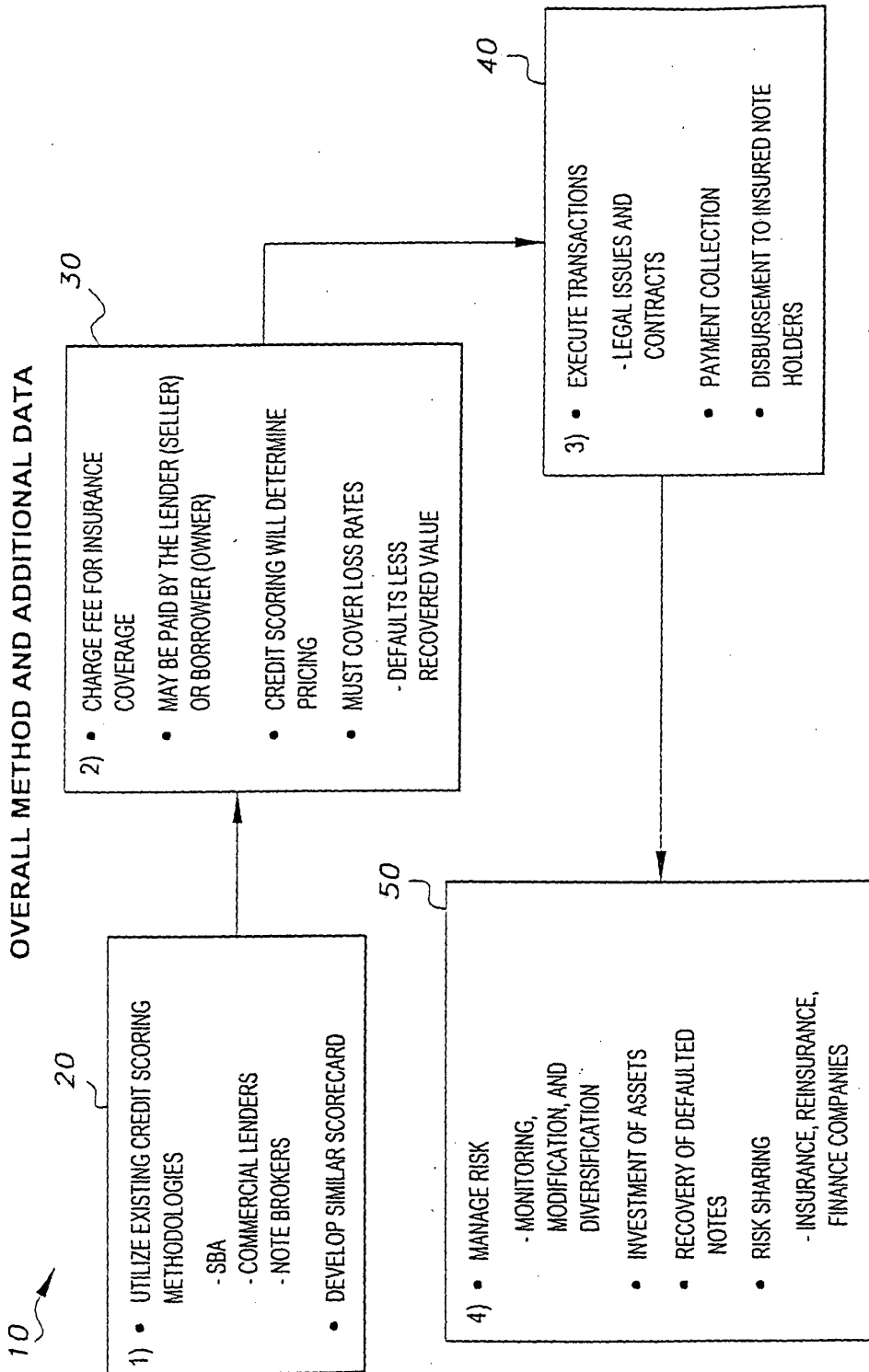


Fig. 2

20



CREDIT SCORING

- LEVERAGE EXISTING CREDIT SCORING METHODOLOGIES FROM:
 - SBA
 - COMMERCIAL LENDERS
 - NOTE BROKERS

- DEVELOP CREDIT SCORE CARD BASED ON
 - LTV RATIO
 - PROOF OF BUSINESS PROFITABILITY
 - LENGTH OF TIME IN BUSINESS
 - LOCATION CONSISTENCY
 - TAX RETURNS AND P/L STATEMENTS
 - BUYER EXPERIENCE
 - BUYER CREDIT RATING (625+FICA CREDIT SCORE)
 - LOAN POSITION
 - PERSONAL BUYER GUARANTEE
 - TURN-AROUND POTENTIAL




Fig. 3

30

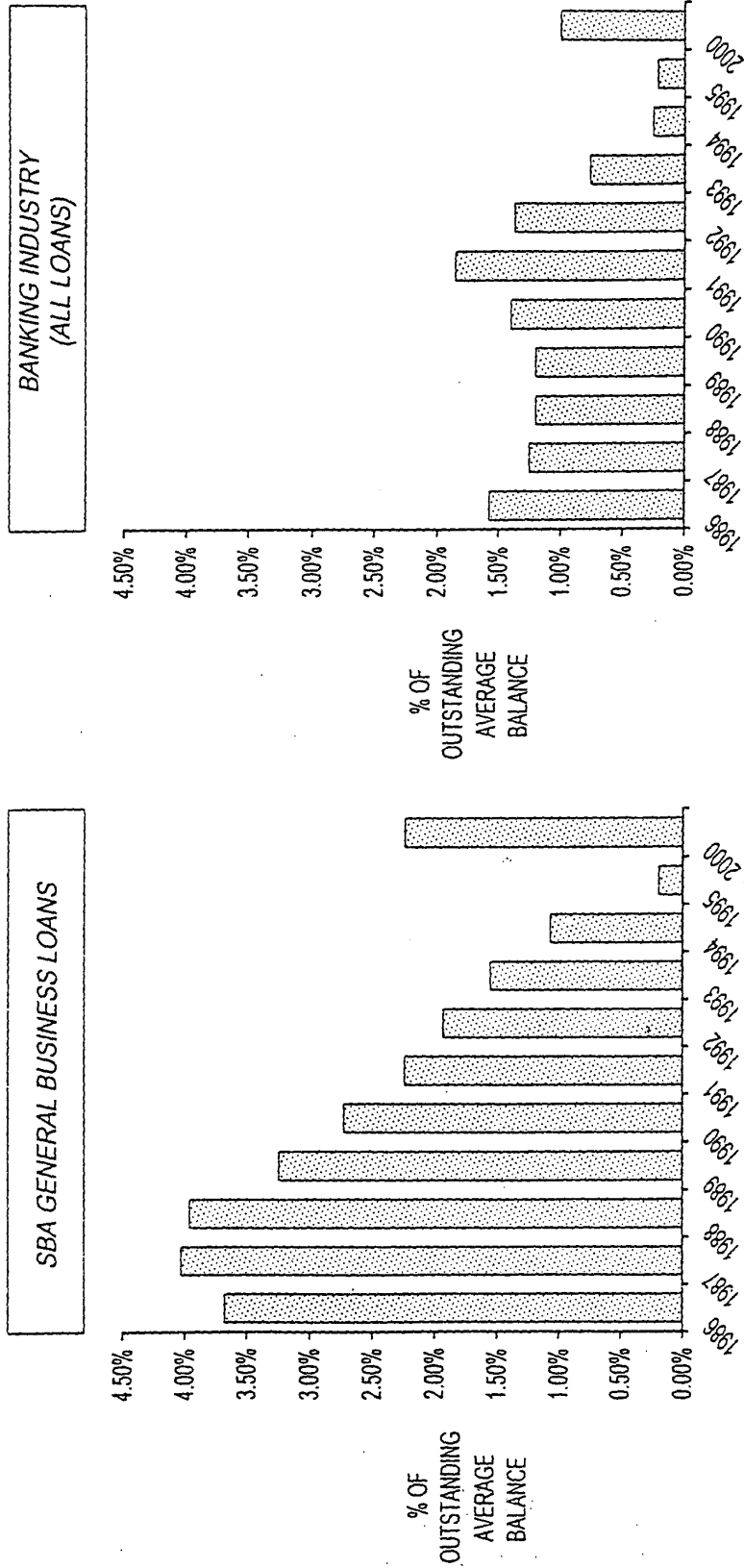
PRICING MODULE

FEE FOR INSURANCE AND SECURITY DEPOSIT NEEDS TO
COVER EXPECTED LOAN DEFAULT LOSS AMOUNTS

- KEY CRITERIA IN DEFINING APPROPRIATE PRICING MODEL:
 - EXPECTED LOAN DEFAULT RATES
 - EXPECTED LOSS ON DEFAULT
 - PERCENT OF ACTUAL LOSS RELATIVE TO LOAN AMOUNT
 - TAKE INTO ACCOUNT SALVAGE AND TURN-AROUND VALUE

Fig. 4

LOSS RATES: BUSINESS LENDING LOSS RATES (DEFAULT LOANS LESS RECOVERED ASSETS)



EVEN WITH THE SBA'S AGGRESSIVE LENDING CRITERIA, LOSS RATES HAVE NOT SURPASSED 4.1%.

Fig. 5

IN CASE OF DEFAULT

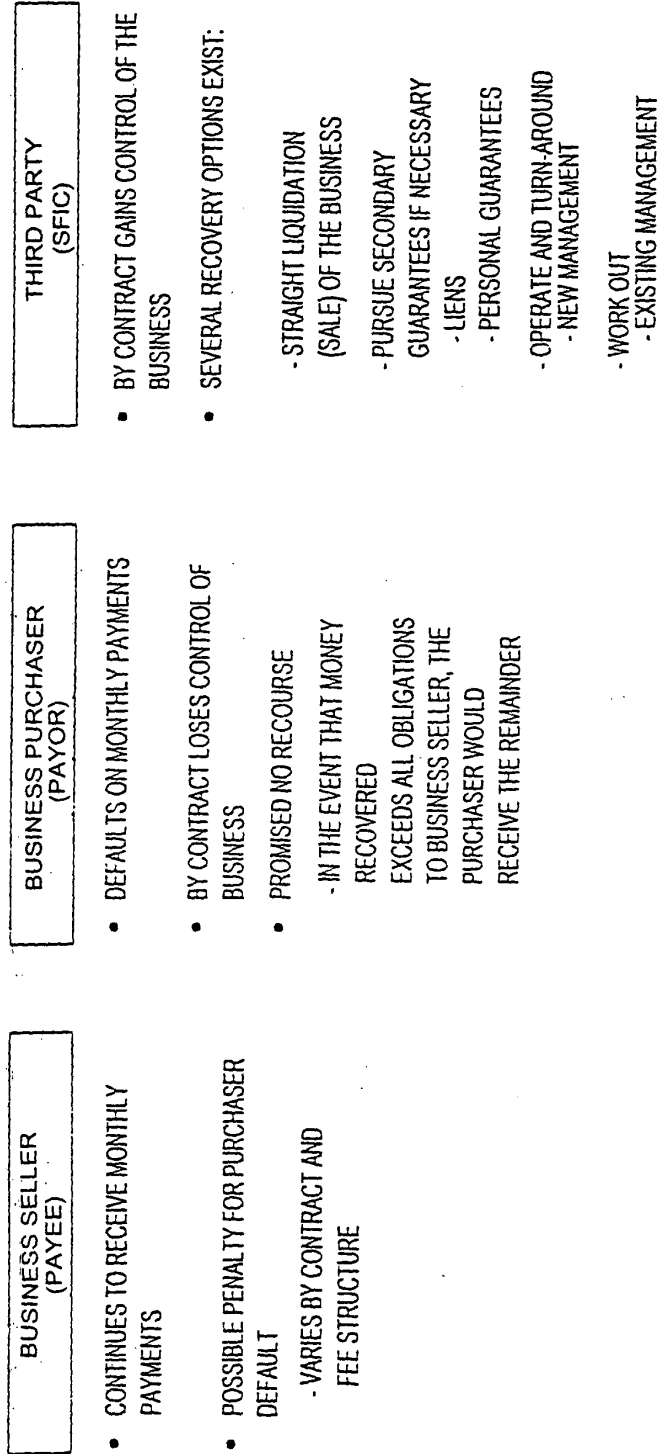


Fig. 6